

EXHIBIT D

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ATTORNEYS' EYES ONLY**



Transcript of Edward Christie

Tuesday, June 6, 2023

***United States, et al. v. JetBlue Airways Corporation
and Spirit Airlines, Inc.***

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1 clearing price to be. So I guess that would be
2 a method of competition, yes.

3 BY MS. PEARL:

4 Q When you say "compete for their service,"
5 what do you mean by that?

6 A Trying to lure them out of the car and
7 into the airplane.

8 Q Does Spirit ever lower its fares to lure
9 customers away from their car?

10 A Well, we believe that what we're trying to
11 do is create the right clearing price for our
12 product. And so by lowering fares, we believe we
13 stimulate more activity. So those people may have
14 been traveling by car.

15 Q All right. You can put that document
16 away.

17 So, Mr. Christie, when we were talking --
18 we were just looking at the 10-K, we discussed that
19 price-sensitive travelers are attracted Spirit's low
20 fares and unbundled service offerings; is that
21 right?

22 A Yes.

23 Q Would you agree that Spirit aims to serve
24 a particular segment of customers who have been
25 priced out of other fares?

1 A I believe that is one of the segments we
2 serve, yes.

3 Q And would you agree that Spirit aims to
4 serve a particular segment of customers who find
5 fares are too expensive to travel with any
6 frequency?

7 A Again, that is another way to define our
8 target market, yes.

9 Q All right. So we've discussed,
10 Mr. Christie, that Spirit enter -- aimed to enter
11 markets with high fares; correct?

12 A One of the --

13 MR. COHEN: I'm sorry. One second.
14 Just -- I missed the question so I'm reading
15 it.

16 Go ahead. You may answer.

17 THE WITNESS: Well, I was going to clarify
18 the question. When you say we enter markets
19 with high fares, do you mean that we offer high
20 fares, or do you mean that the airlines, that
21 the prevailing fare is high?

22 BY MS. PEARL:

23 Q The prevailing fare is high.

24 A Then, yes, one of the evaluations we will
25 make is if there are higher fares than what we would

1 fares are a product of supply and demand. And
2 we have created an opportunity to -- to
3 increase supply. And we do so at a low-enough
4 cost structure that we can carry that demand
5 profitably.

6 So what really drives price is supply.
7 And -- and so to the extent that supply remains
8 roughly the same, then price should be
9 approximately the same.

10 BY MS. PEARL:

11 Q Spirit enters markets today with a lower
12 price than those offered on those routes; correct?

13 A That's correct.

14 Q And it's doing -- and part of its customer
15 base are price-sensitive passengers who otherwise
16 wouldn't be able to fly with higher-price fares;
17 correct?

18 A We believe so, yes.

19 Q All right. So the letter, then, states --
20 or the press release -- this is -- sorry -- "The
21 conversion of Spirit aircraft to JetBlue
22 configuration will result in significantly
23 diminished capacity on former Spirit routes, also
24 resulting in higher prices for consumers."

25 MR. COHEN: Sorry.

1 THE WITNESS: Can you just point me to
2 where we are?

3 MR. COHEN: Point us both, yeah.

4 BY MS. PEARL:

5 Q I know. So it's the bottom of three on to
6 the fourth page. It's just --

7 A "In addition, the conversion" -- I see it.

8 Q Yeah. Sorry.

9 A I got it.

10 Q Okay.

11 A "Will result in a significant diminished
12 capacity..."

13 (Sotto voce.)

14 Okay.

15 Q Okay. So we talked about earlier that per
16 aircraft, the same aircraft, Spirit has more seats
17 than JetBlue; correct?

18 A Correct.

19 Q And so to your knowledge, JetBlue still
20 plans to convert Spirit aircraft -- the aircraft
21 configuration to JetBlue's aircraft configuration;
22 right?

23 A That's what they've indicated, yes, but I
24 don't know what their formal plans are.

25 Q And so if those are still their formal

1 A I do.

2 Q So is it true that at the time it was your
3 understanding that half the synergies from the deal
4 would come from "reduced capacity and increased
5 fares"?

6 A I think they were -- we were presented
7 with that, yes.

8 Q What do you mean by "we were presented
9 with that"?

10 A I think we saw that come from JetBlue,
11 yes.

12 Q Did Spirit do an -- oh, so you saw that in
13 JetBlue's synergies, that half of the synergies were
14 coming from reduced capacity and increased fares?

15 A Yes. We didn't do an analysis on this.

16 Q Okay. And do you know which deal
17 synergies stemmed from reduced capacity?

18 A I don't specifically, but that would be --
19 they're -- they're co-related, reduced capacity and
20 increased fares.

21 Q Okay. Do you know which deal synergies
22 stem from reduced capacity and increased fares?

23 A I don't specifically, no.

24 Q All right. We can put that document
25 aside.

1 Do you see that?

2 A I do.

3 Q And so are you saying or is this slide
4 saying that even if the NEA deal is blocked, there's
5 still the issue of a high-fare airline buying a
6 low-fare airline?

7 A I think there is the issue of that
8 perception, yes, in the market, that we would be
9 defending that against how the regulators would
10 interpret it. Yes.

11 Q And it also says "high-fare airline trying
12 to buy a low-fare airline and raise fares." So are
13 you -- was this chart saying at the time that the
14 issue of raising fares was still a concern should
15 the NEA be blocked?

16 A I think it was a concern, given the
17 airplane-configuration issue that we discussed
18 earlier, with less supply in the market that fares
19 would raise. But as I said earlier, there are
20 offsets to that with utilization that are
21 encouraging.

22 Q All right. And on the far, right-hand
23 side to the bullets themselves, the second-to-last
24 bullet says, "Neither outcome changes the fact that
25 JetBlue is a high-fare airline trying to buy a

1 The JetBlue Proposal Represents a High-Fare Carrier
2 Trying to Buy a Low-Fare Carrier"; correct?

3 A Yes.

4 Q And we've heard that a number of times in
5 this presentation; right?

6 A We have.

7 Q And so for the -- on the right-hand side,
8 it says "2019 Average Fare."

9 Do you see that?

10 A I do.

11 Q And that's -- it's in the footnotes,
12 "Spirit and Frontier based on 2019 Fare Revenue Per
13 Passenger and JetBlue based on disclosed 2019
14 Average Fare"; correct? This is footnote two.

15 A In the footnote?

16 Q Yeah.

17 A I see that, yes.

18 Q So this is based on the 2019 averages?

19 A Correct.

20 Q And Spirit's average fare is \$55?

21 A Yes.

22 Q And JetBlue's was more than three times
23 that; correct?

24 A Yes.

25 Q At \$182; is that right?

1 A That is correct.

2 Q Okay.

3 A It's worth noting that this is our average
4 fare. It does not include the ancillaries, but...

5 Q Correct.

6 All right. And the chart on the left
7 shows "2019 Passenger Yield."

8 A Um-hum.

9 Q Is this understood to be revenue per
10 passenger?

11 A Yeah. This would -- I believe this is
12 total revenue.

13 Q So can you --

14 A Correct.

15 Q -- explain that?

16 A Yeah. Revenue per passenger, but it's not
17 just ticket revenue. It's including them too.

18 Q So it includes ancillaries?

19 A Correct.

20 Q Okay. And JetBlue --

21 A Or what's defined as "passenger revenue"
22 on the -- on the income statement, which does have
23 some carve-outs, but I believe most -- most of
24 ancillary revenue is included in that.

25 Q Okay. So JetBlue is -- I think I did the

1 math right -- 3.8 cents more per passenger than
2 Spirit; is that correct?

3 A It looks like it, yes.

4 Q Okay. And what is the significance of --
5 of passenger yield, of having higher passenger
6 yield?

7 A Well, it's -- it's a corollary to average
8 fare. So "yield" is another way to represent how
9 much people are paying you for -- for your service.

10 Q And so, on average, people are paying
11 JetBlue for its services 3.8 cents more than Spirit?

12 A Correct.

13 Q Okay. All right.

14 Page eight, which is the next page. So
15 this says, "Shareholders Should Think About The
16 Conversation With Regulators"; is that right?

17 A Yes.

18 Q And what is this slide depicting?

19 A I think these are the concerns that we
20 wanted our shareholders to be aware of that could be
21 raised during the regulatory review of our
22 transaction with JetBlue.

23 Q On the left, it says, "A JetBlue
24 Acquisition of Spirit will have Lasting Negative
25 Impacts on Consumers."

1 another.

2 Q In the bottom right quadrant, so it says,
3 "A JetBlue transaction" -- "The Common Sense,"
4 that's where I'm looking at, that quadrant.

5 Next, a "Very Low Certainty," it says,
6 "JetBlue is already in litigation with DOJ over the
7 NEA and, at its core, a JetBlue transaction would
8 substantially raise fares for consumers - how could
9 that be approved?"

10 Do you see that statement?

11 A I do.

12 Q So is this slide suggesting that the
13 common sense -- sorry. So is this slide suggesting
14 that it's common sense that a deal that would
15 raise -- that would substantially raise fares with
16 consumers would not be approved?

17 A I think that was the risk we were trying
18 to illustrate, correct.

19 Q And did Spirit believe at the time that a
20 JetBlue transaction would substantially raise fares
21 for consumers?

22 MR. COHEN: Objection to form.

23 BY MS. PEARL:

24 Q Or, sorry. Did Spirit believe at the time
25 that a JetBlue transaction would substantially raise

1 fares for consumers?

2 MR. COHEN: Objection to form of the
3 question.

4 You can answer.

5 THE WITNESS: I think we had concerns that
6 with a reduction in seat capacity that fares
7 could float up, because that's what happens in
8 a supply-and-demand market. But as I said
9 before, I think some of those were concerns
10 were allayed.

11 BY MS. PEARL:

12 Q All right. Let's turn to slide 21. And
13 this -- it's pdf 29. The title is "JetBlue
14 Continues to Spread Misinformation."

15 A Did you say 21?

16 Q Yeah. It's --

17 MR. COHEN: Twenty-nine of 45.

18 THE WITNESS: Twenty-nine of 45.

19 BY MS. PEARL:

20 Q Yeah.

21 A Okay.

22 Q So it starts with -- the header is
23 "JetBlue Continues to Spread Misinformation."

24 Do you see that?

25 A I do.